

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

OF COUNSEL
URBAN A. LESTER

May 17, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 23485-E FILED

MAY 17 '02 9-50 AM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are four (4) copies of Supplement No. 1 to Security Agreement- Chattel Mortgage, dated as of May 17, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement previously filed with the Board under Recordation Number 23485.

The names and addresses of the parties to the enclosed document are:

Debtor: Shippers Fourth LLC
c/o ACF Industries, Incorporated
620 North Second Street
St. Charles, Missouri 63301

Secured Party: The Industrial Bank of Japan
Trust Company
1251 Avenue of the Americas
New York, New York 10020

A description of the railroad equipment covered by the enclosed document is

- (1) 29 railcars are being ADDED to the Security Agreement SHPX 205010-SHPX 205038.
- (2) 1 railcar is being DELETED from the Security Agreement SHPX 220930.

RECORDATION NO.

23485-E
FILED

SUPPLEMENT NO. 1

MAY 17 '02

9-50 AM

DATED AS OF MAY 17, 2002

TO

SURFACE TRANSPORTATION BOARD

SECURITY AGREEMENT--CHATTEL MORTGAGE

DATED AS OF MAY 10, 2001

SUPPLEMENT No. 1 dated as of May 17, 2002 (this "Supplement") to Security Agreement-Chattel Mortgage dated as of May 10, 2001 (as amended, supplemented or modified from time to time, the "Security Agreement") between SHIPPERS FOURTH LLC, as Debtor and THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY, acting both on its own behalf as Administrative Agent and as the agent for and representative (within the meaning of Section 9-102(a)(72)(E) of the Uniform Commercial Code) of the Banks (the "Secured Party").

W I T N E S S E T H:

WHEREAS, Debtor has notified the Secured Party of the Debtor's desire to transfer certain Equipment subject to and in accordance with the terms and conditions set forth in Section 3.14 of the Security Agreement;

WHEREAS, Debtor is removing certain damaged Equipment from the Collateral;

WHEREAS, this Supplement is being entered into and delivered by the Borrower as a condition to such transfers and removals under Section 3.14 of the Security Agreement in order to amend and supplement Schedule A to the Security Agreement to: (a) include the Equipment set forth on Schedule A-1 hereto and (b) delete the Equipment set forth on Schedule A-2 hereto;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants contained herein, the parties hereto agree as follows:

1. Definitions. Except as otherwise defined in this Supplement, terms defined in the Security Agreement or by reference therein are used herein as defined therein.

2. Supplements. The Security Agreement shall be amended and supplemented as follows:

(a) Schedule A to the Security Agreement shall be amended and supplemented by Schedule A-1 hereto to include the Equipment more fully described on Schedule A-1 hereto and Schedule A-1 hereto shall be deemed to be an addition to and part of Schedule A to the Security Agreement. The Debtor hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Secured Party and grants the Secured Party a first priority lien on and security interest in all of the Debtor's right, title and interest in and to such Equipment and the related Equipment Leases more fully described in Schedule A-1 to Supplement No. 1 to the Loan

Agreement (the "Loan Agreement Supplement") and agrees that such Equipment and Equipment Leases shall constitute Collateral subject to the grant of security by the Debtor set forth in Section 2.01 of the Security Agreement. Each reference to "Schedule A" in the Security Agreement, and each reference to "Schedule A to the Security Agreement" in any other Loan Document, shall be deemed to be a reference to Schedule A as amended and supplemented by Schedule A-1 hereto, and each reference to "Equipment", "Item of Equipment" or "Items of Equipment" in any of the Loan Documents shall be deemed to include a reference to the Equipment described on Schedule A-1 hereto.

(b) Schedule A to the Security Agreement shall be amended further by deleting therefrom the equipment described on Schedule A-2 hereto and the Secured Party hereby agrees that such equipment and the related leases more fully described on Schedule A-2 to the Loan Agreement Supplement shall no longer be included in the Collateral, and hereby releases and terminates its Lien on and security interest in, and all of its rights, title and interest, in and to, such equipment and such leases. Schedule A-2 hereto shall be deemed to be a deletion from, and the equipment described thereon shall cease to be a part of, Schedule A to the Security Agreement. Each reference to "Schedule A" in the Security Agreement, and each reference to "Schedule A to the Security Agreement" in any other Loan Document, shall be deemed to be a reference to Schedule A as amended by Schedule A-2 hereto, and each reference to "Equipment", "Item of Equipment" or "Items of Equipment" in any of the Loan Documents shall no longer include a reference to the equipment described on Schedule A-2 hereto.

(c) It is hereby agreed that each reference to the "Security Agreement" and "this Agreement" in the Security Agreement, and each reference to the "Security Agreement" in each of the other Loan Documents, shall be deemed to be a reference to the Security Agreement as amended and supplemented by this Supplement.

3. Enforceability. The Debtor hereby (a) reaffirms and admits the validity and enforceability of the Security Agreement (as amended and supplemented by this Supplement) and the Lien created thereby and all of its obligations thereunder and (b) agrees and admits that it has no defenses to or offsets against any such obligations.

4. Ratification. All of the terms and conditions of the Security Agreement are hereby incorporated into this Supplement by reference thereto as fully and to the same extent as if set forth herein and except as expressly amended and supplemented hereby, the Security Agreement is and shall remain in full force and effect and is hereby ratified, approved and confirmed in all respects, and no amendment or supplement in respect of any term or condition of the Security Agreement shall be deemed to be an amendment or supplement in respect of any other term or condition contained in the Security Agreement or any other Loan Document.

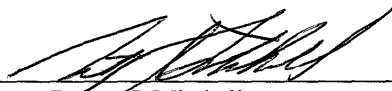
5. Counterparts. This Supplement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Supplement by signing any such counterpart.

6. GOVERNING LAW. THIS SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.


IN WITNESS WHEREOF, the parties hereto have executed and delivered this placement as of the date and year first set forth above.

SHIPPERS FOURTH LLC, as Debtor

By: ACF INDUSTRIES, INCORPORATED,
Managing Member

By: 
Name: Robert J. Mitchell
Title: Senior Vice President-Finance

THE INDUSTRIAL BANK OF JAPAN
TRUST COMPANY, as Administrative Agent
for the Secured Party

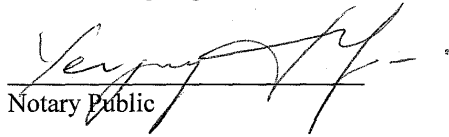
By: 
Name: Koichi Hasegawa
Title: Senior Vice President

[Signature Page to Supplement No. 1 to Security Agreement]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)


On this 15th day of May, 2002 before me, personally appeared Robert J. Mitchell to me personally known, who being by me duly sworn, says that he resides in Nassau County, the State of New York and is Senior Vice President of Finance of ACF Industries, Incorporated, which is the Managing Member of SHIPPERS FOURTH LLC, that said instrument was signed on the date hereof on behalf of said limited liability company on the date hereof by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

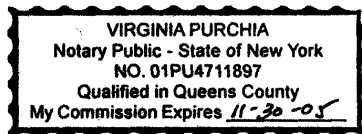
YEVGENY FUNDLER
Notary Public, State of New York
No. 02FU6046929
Qualified in New York County
Commission Expires August 21, 2002


Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 14th day of May, 2002 before me, personally appeared Koichi Hasegawa to me personally known, who being by me duly sworn, says that he resides at New York, NY and is Senior Vice President of The Industrial Bank of Japan Trust Company, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free and deed of said corporation.


Notary Public



SCHEDULE A-1

[SCHEDULE OF REPLACEMENT UNITS]

Rptg Mark	Car Number
SHPX	205010
SHPX	205011
SHPX	205012
SHPX	205013
SHPX	205014
SHPX	205015
SHPX	205016
SHPX	205017
SHPX	205018
SHPX	205019
SHPX	205020
SHPX	205021
SHPX	205022
SHPX	205023
SHPX	205024
SHPX	205025
SHPX	205026
SHPX	205027
SHPX	205028
SHPX	205029
SHPX	205030
SHPX	205031
SHPX	205032
SHPX	205033
SHPX	205034
SHPX	205035
SHPX	205036
SHPX	205037
SHPX	205038

29 Cars

SCHEDULE A-2

[SCHEDULE OF RELEASED EQUIPMENT]

Rptg Mark	Car Number
SHPX	220930